

**CHAPTER NO. 491**

**SENATE BILL NO. 1227**

**By Herron, Crutchfield, Williams, Cooper, Crowe, Kilby**

**Substituted for: House Bill No. 2125**

**By Fitzhugh, Tindell, McDonald, Ulysses Jones, Mike Turner, Rinks, Miller, Sherry Jones, Moore,  
Langster, Newton, Vaughn, Borchert, Marrero, Brown, Lois DeBerry, McKee, Fowlkes, McDaniel,  
Harrison**

AN ACT to amend Tennessee Code Annotated, Title 8, Chapter 25, Part 3, relative to increasing the amount of the employer's matching contribution toward the state employees' 401(k).

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-25-303(a), is amended by deleting the language in its entirety and by substituting instead the following:

(a) Subject to subsection (c) of this section, the state shall provide for employer matching of contributions to the plan on behalf of participating state employees who are eligible to participate in the Tennessee Consolidated Retirement System or the optional retirement program established pursuant to Chapter 35, Part 4 of this title. Notwithstanding § 8-35-111, beginning on July 1, 2005, any such employer match shall equal one hundred percent (100%) of the amount contributed by each such state employee to the plan per month up to a maximum of twenty dollars (\$20) per month or, alternatively, up to such higher maximum as may be specifically prescribed in the annual appropriations act, unless the employee elects, on a form prescribed by the state treasurer, to have the employer matching based on the amount contributed by the employee from the employee's longevity pay. If the employee makes such an election, the employer match shall equal the amount contributed by such state employee from the employee's longevity pay, up to a maximum of six hundred dollars (\$600) per year.


SECTION 2. Tennessee Code Annotated, Section 8-25-303(c) is amended by deleting the language in its entirety and substituting instead the following:

(c) It is the legislative intent that the employer match pursuant to this section shall be provided each fiscal year as the General Appropriations Act sets forth the dollar amount to be matched and contains an appropriation to provide for such matching amount. It is further the legislative intent that the amount, terms and conditions of any employer matching of contributions pursuant to subsection (a) of this section for employees of institutions of higher education shall be governed in accordance with the same provisions affecting state employees who are paid on the centralized state payroll system.

SECTION 3. This act shall take effect July 1, 2005, the public welfare requiring it.

**PASSED: May 28, 2005**

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

**APPROVED this 22<sup>nd</sup> day of June 2005**

  
PHIL BREDESEN, GOVERNOR